

§ 3137.21

terms required in § 3137.21 of this subpart.

§ 3137.21 What must I include in an NPR-A unit agreement?

(a) Your NPR-A unit agreement must include—

(1) A description of the unit area and any geologic and engineering factors upon which you are basing the area;

(2) Initial and continuing development obligations (see §§ 3137.40 and 3137.41 of this subpart);

(3) The proposed participating area size and proposed well locations (see § 3137.80(b) of this subpart);

(4) A provision that acknowledges BLM's authority to set or modify the quantity, rate, and location of development and production; and

(5) Any optional terms which are authorized in § 3137.50 of this subpart you choose to include in the unit agreement.

(b) You must include in the unit agreement any additional terms and conditions that result from consultation with BLM. After your initial application, BLM may request additional supporting documentation.

§ 3137.22 What are the size and shape requirements for a unit area?

(a) The unit area must—

(1) Consist of tracts, each of which must be contiguous to at least one other tract in the unit, that are located so that you can perform operations and production in an efficient and logical manner; and

(2) Include at least one NPR-A lease.

(b) BLM may limit the size and shape of the unit considering the type, amount and rate of the proposed development and production and the location of the oil or gas.

§ 3137.23 What must I include in my NPR-A unitization application?

Your unitization application to BLM must include—

(a) The proposed unit agreement;

(b) A map showing the proposed unit area;

(c) A list of committed tracts including, for each tract, the—

(1) Legal land description and acreage;

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(2) Names of persons holding record title interest;

(3) Names of persons owning operating rights; and

(4) Name of the unit operator.

(d) You must certify—

(1) That you invited all owners of oil and gas rights (leased or unleased) and lease interests (record title and operating rights) within the external boundary of the unit area described in the application to join the unit;

(2) That there are sufficient tracts committed to the unit agreement to reasonably operate and develop the unit area;

(3) The commitment status of all tracts within the area proposed for unitization; and

(4) That you accept unit obligations under § 3137.60 of this subpart.

(e) Evidence of acceptable bonding;

(f) A discussion of reasonably foreseeable and significantly adverse effects on the surface resources of NPR-A and how unit operations may reduce impacts compared to individual lease operations; and

(g) Other documentation BLM may request. BLM may require additional copies of maps, plats, and other similar exhibits.

§ 3137.24 Why would BLM reject a unit agreement application?

BLM will reject a unit agreement application—

(a) That does not address all mandatory terms, including those required under § 3137.21(b) of this subpart;

(b) If the unit operator—

(1) Has an unsatisfactory record of complying with applicable laws, regulations, the terms of any lease or permit, or the requirements of any notice or order; or

(2) Is not qualified to operate within NPR-A under applicable laws and regulations;

(c) That does not conserve natural resources;

(d) That is not in the public interest;

(e) That does not comply with any special conditions in effect for any part of the NPR-A that the unit or any lease subject to the unit would affect; or

(f) That does not comply with the requirements of this subpart.